

SUSTAIN

Federal Home Loan Bank of Pittsburgh
2006 AFFORDABLE HOUSING ADVISORY COUNCIL REPORT

ABILITY

In partnership with dedicated member banks
and other community stakeholders, we at FHLBank
Pittsburgh strive for comprehensive, lasting change in
communities throughout the region, every day.
It's what we call...sustain ability.

Vision of FHLBank Pittsburgh

We will be a catalyst for building thriving communities, working creatively with our partners until a safe warm home and steady work are within the grasp of every person in our region.

Table of Contents

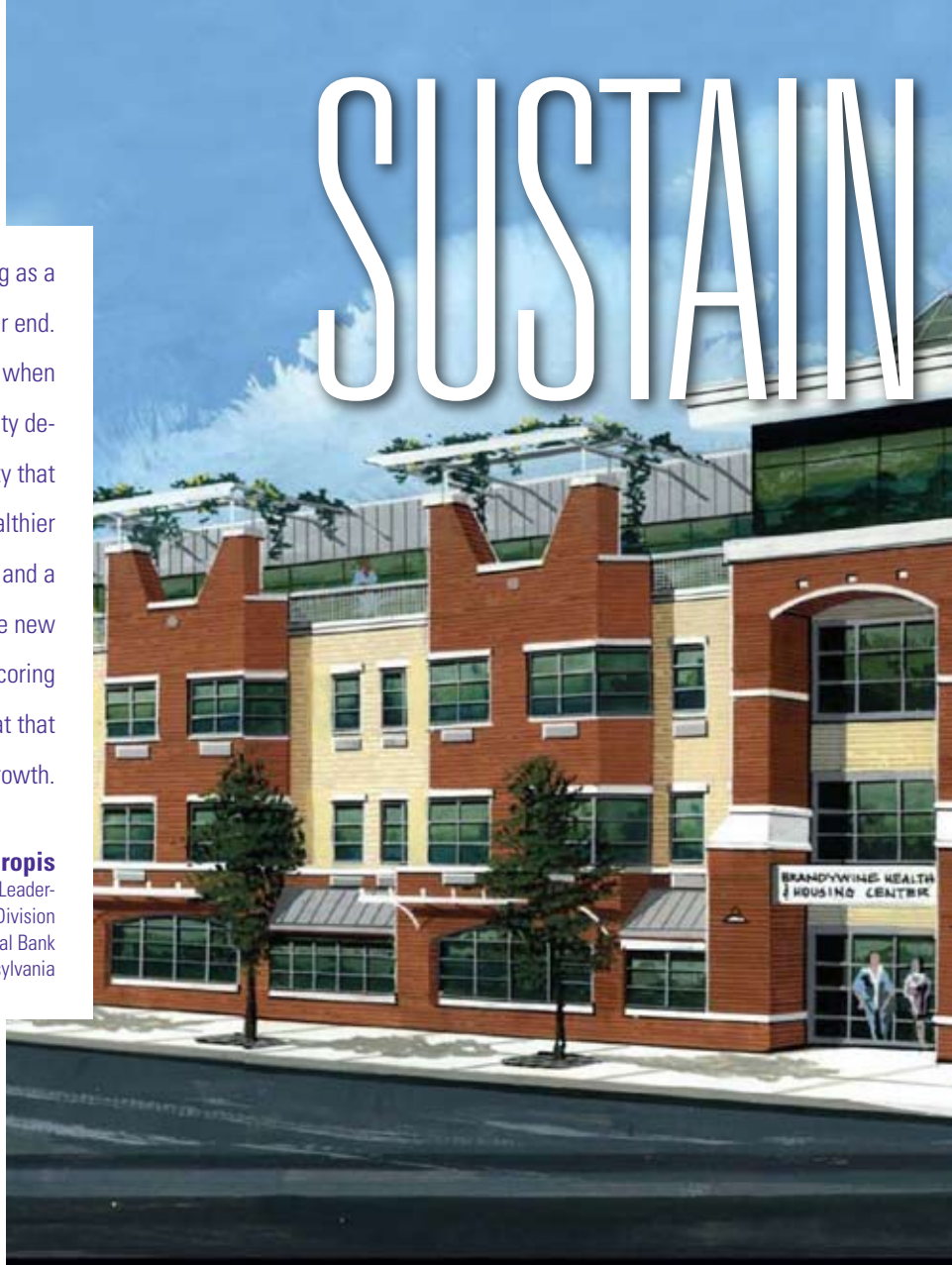
Community Investment Highlights.....	1
To Our Members and Partners	7
Financial Highlights.....	9
Community Investment At-A-Glance	11
2006 Awards	13
Blueprint Communities.....	15
Community Investment Programs	17
2007 Community Investment Goals	25

SUSTAIN

We view affordable housing as a necessary means to a greater end. Decent housing – especially when combined with other community development – generates stability that eventually translates to a healthier community, happier citizens and a more dependable tax base. The new FHLBank Pittsburgh AHP scoring guidelines are aimed right at that kind of sustainable growth.

Colin Maropis

Commercial Real Estate Team Leader-
Chester County Division
Willow Financial Bank
Downingtown, Pennsylvania



Communities can better sustain growth when they focus on comprehensive development. Going forward, FHLBank Pittsburgh's Affordable Housing Program (AHP) will place a premium on how projects reflect broad stakeholder collaboration and community-wide planning. AHP scoring will attach greater

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New AHP Scoring Promotes Community Stability

significance to the impact of projects on community stability, assigning 25 points to this category versus the ten points assigned previously.

An emphasis on community stability was a major reason why the Brandywine Health & Housing Center project in Coatesville, Pennsylvania, received a \$300,000 AHP grant. Willow Financial Bank (formerly Willow Grove Bank and First Financial Bank) worked with the Brandywine Health Foundation and Cansler Investment Group to submit an application containing many of the hallmarks of comprehensive community planning. Construction began in January 2007 on this \$12 million multi-use building that includes 24 units of low-income senior housing on the middle two floors, while

locating primary care, dental, and behavioral health services for the entire community on the first and fourth floors. The project complements and will benefit from the City of Coatesville's strategies to develop mixed-income housing, business, recreation and enterprise opportunities within the downtown corridor.

"The Brandywine Health & Housing Center takes a broad view of community investment," said Brandywine Health Foundation President and CEO Frances Sheehan. "Affordable housing is important, but so are the health needs of our residents. It's vital that community planners and developers consider the needs of residents, consult with other stakeholders and look at all available options to determine how best to create stability within the community."

Since the inception of AHP in 1990, Willow Financial has enabled funding for eight AHP projects, all in Coatesville, targeting rental and owner-occupied housing to seniors, people with disabilities, first-time homebuyers, the homeless and very-low-income families, among others. Clearly, the long-term sustainability of Coatesville is forefront at Willow Financial Bank.

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At work in the Blueprint Communities initiative is the fundamental belief that lasting change can occur only when communities take into consideration all aspects that contribute to a high quality of life – housing, business and economics, schools, infrastructure, special needs.

Only then can communities create meaningful change and sustain growth over time.

Serge Chrush

Senior Community Banking Manager
Sovereign Bank
Tamaqua Blueprint Communities
Team Member



Sustainability is at the heart of the Blueprint Communities revitalization initiative. With Blueprint Communities, participating teams develop comprehensive plans, increase capacity, and strengthen ties to local partners and funders. The goal is to create momentum for change that regenerates year in and year out – long into the future.

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Blueprint Communities Fosters Comprehensive Change

The borough of Tamaqua was one of 22 Blueprint Communities in Pennsylvania that began work in 2005. A community of about 7,000 northwest of Allentown, Tamaqua has taken big strides in its efforts to bring about sustainable change. The Tamaqua Blueprint team drafted its South Ward neighborhood plan, including the redevelopment of a key playground to create synergy in the neighborhood. Plans also included homeownership and home repair assistance, demolishing blighted buildings and constructing a pedestrian walkway to link neighborhoods together.

"Blueprint Communities gave our team the tools and the framework to develop a

multi-faceted plan that we began implementing right away," said Micah Gursky, a member of the Tamaqua Blueprint Communities team and a borough council member. "Our Blueprint Team has added real value to existing redevelopment efforts and began filling in the gaps by using what we learned at the Blueprint training."

Since gaining local approval for their comprehensive plan, the Tamaqua team has accomplished a number of important goals. In 2006, the team was able to have the South Ward neighborhood designated as an Elm Street community. The team also spearheaded funding for the \$3.3 million redevelopment of the former Tamaqua Boot and Shoe Factory into 14 apartments. The project benefited from a \$90,000 grant from FHLBank Pittsburgh's Affordable Housing Program made through Sovereign Bank. It all goes to show that, for Tamaqua, the future is looking brighter – and change, sustainable.

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Providing opportunity for growth is something we at Northwest Savings Bank do every day. When we enable people to reach their dreams, the communities we serve become stronger. That's good for them, and it's good for us too, because the end result is stability that lasts well into the future.

Ron Andzelik


Vice President of Compliance & CRA Officer
Northwest Savings Bank
Warren, Pennsylvania



What do first-time homebuyers, start-up businesses and inquisitive youth have in common? They all promise growth based on opportunity. When FHLBank members extend the opportunity for growth to those able – and willing – to take advantage of it, communities begin to change in ways that make a sustainable difference over time.

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FHLBank Programs Target Opportunity, Growth



Northwest Savings Bank of Warren, Pennsylvania, understands that creating opportunities for those who show potential is one of the best ways to stabilize communities and sustain growth. Small businesses especially have benefited from Northwest's use of FHLBank's Banking On Business program. Over the past five years, Northwest has helped 13 businesses with more than \$1 million in BOB funds, leveraging an additional \$4.4 million for startup or expansion costs. In the process, 134 jobs have been created or saved.

"Banking On Business dollars made it possible for us to install fiber optic, high-speed wide-area network and broadband services to 13 buildings for the Warren County School District last year," said

Elaine Bailey, president of WestPANet, Inc. "The \$200,000 in BOB funding we received improved our loan-to-value ratio and collateral position and made our loan from Northwest Savings bankable. Importantly, it enhanced the security of our employees, while paving the way for future business opportunities as well."

Northwest has also helped scores of first-time homebuyers with down payment and closing costs through FHLBank's First Front Door program. And Northwest has been a primary sponsor of My Money, My Life – a financial literacy initiative for young people – providing fee-free savings accounts and volunteer instruction to more than 400 young people in Allegheny County thus far. When you add in 16 projects approved through the FHLBank's Affordable Housing Program, clearly Northwest cares about the sustainability of communities it serves.

To Our Members and Partners

OUR CHALLENGE: SUSTAINABLE GROWTH

Ensuring that communities are able to sustain growth should be paramount to all of us investing in community development in the region. When aligned with a common sustainability objective, the financial foundation provided by funders can ignite opportunity and generate momentum for local governments, businesses and community organizations – enabling broad change that lasts over time.

Truly compassionate bankers commit to improving the lives of all individuals within their footprint. Truly astute bankers know that doing so not only lifts up the community but enhances their own climate for success. When residents attain a higher quality of life, they're in an increasingly better position to save, borrow and invest.

The effect of community success on a bank's bottom line cannot be overestimated. If banks want to sustain profits, they need also think about sustaining the communities they serve.

FHLBank Pittsburgh's Community Investment Department works every day to ensure the sustainability of communities over time. Vital to this work is the wisdom of the Affordable Housing Advisory Council, as well as the Community Investment & Public Policy Committee of the Board of Directors. With targeted programs and initiatives, FHLBank, along with its members and other stakeholders, ensures a steady flow of funds directly into communities. In 2006 alone, FHLBank Pittsburgh committed more than \$20 million in community investment grants and provided many millions more in low-cost loans – all flowing through its members to communities in need.

To understand the impact of these dollars, you need only ask the Harvey family of Harrisburg, Pennsylvania, who in 2006 became first-time homeowners with the help of an FHLBank Pittsburgh First Front Door grant they secured through Sovereign Bank.

Or ask residents of South Fork Crossing, a new 12-unit neighborhood in Brandywine, West Virginia, built partly with funding secured by Pendleton Community Bank from FHLBank's Affordable Housing Program.

Or ask the Somali immigrants who, with hundreds of fellow students, graduated from My Money, My Life – a financial literacy program for young adults in Western Pennsylvania sponsored by FHLBank and supported by eight of its members.



John R. Price

President & CEO
FHLBank Pittsburgh

Paul E. Reichart

Chair, Community Investment
& Public Policy Committee of
the Board, and Chairman of
the Board, Columbia County
Farmers National Bank

Christopher Gulotta

Chair, Affordable
Housing Advisory Council,
and Executive Director, Redevelopment
& Housing Authorities of
Cumberland County

Ask and you'll hear countless stories of joy and hope, all because of the life-changing community investment that has touched the lives of individuals and families regionwide.

What you'll understand next is how these stories begin to link together. When funding partners like FHLBank Pittsburgh and its members make an ongoing commitment to serve, communities can better plan for and carry out comprehensive change, creating opportunities for success that sustain their growth far into the future. That's our challenge. Let it be our legacy too.

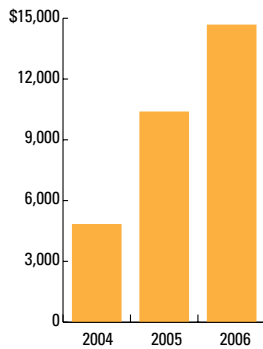
Financial Highlights

(dollars in thousands) 2006 2005 2004 2003 2002

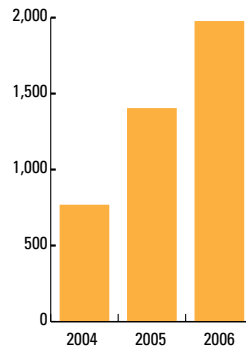
Affordable Housing Program

Total subsidies awarded	\$14,661	\$10,370	\$4,817	\$4,811	\$12,956
Number of housing units	1,974	1,401	765	530	1,406
Total development supported	\$251,658	\$181,470	\$67,864	\$46,846	\$164,428

AHP Subsidies Awarded (thousands)



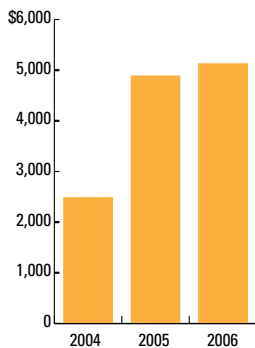
Number Of Housing Units



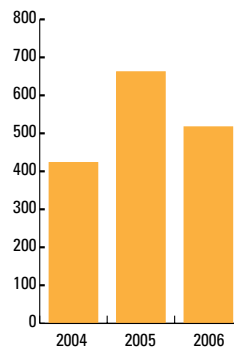
Banking On Business

Total funds repaid	\$2,454	\$2,352	\$1,731	\$976	—
Total funds committed	\$6,636	\$3,000	\$4,376	\$3,781	\$3,000
Total amount funded	\$5,126	\$4,884	\$2,482	\$3,027	\$5,329
Businesses funded	48	50	25	27	67
Jobs preserved/created	517	662	423	522	985

BOB Amount Funded (thousands)



Jobs Preserved/Created



(dollars in thousands)	2006	2005	2004	2003	2002
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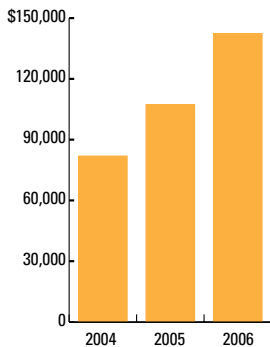
Community Development Investing

Taxable bond purchases	\$27,410	\$61,615	\$27,510	\$207,720	\$247,000
Total balances outstanding	\$779,780	\$815,533	\$775,135	\$835,664	\$648,347

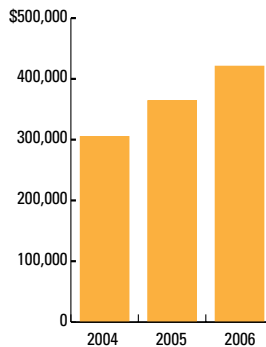
Community Lending Program

Total amount in refinance and new project development loans	\$142,319	\$107,255	\$81,888	\$48,346	\$43,859
Total balances outstanding	\$420,755	\$364,028	\$305,033	\$269,910	\$381,191

CLP Loans (thousands)



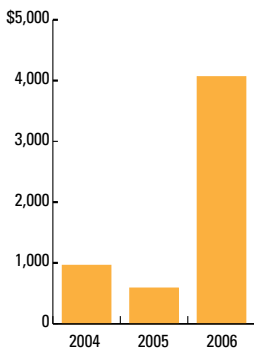
Total Balances Outstanding (thousands)



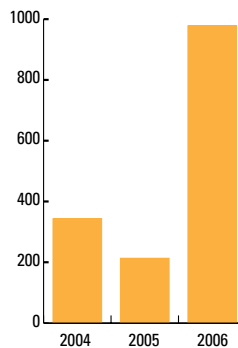
First Front Door

Total amount allocated	\$4,675	\$2,680	\$770	\$1,335	\$2,644
Homebuyers enrolled	1,226	377	546	590	551
Total amount disbursed	\$4,064	\$586	\$960	\$1,745	\$3,801
Homeowners funded	978	213	343	469	905

FFD Amount Disbursed (thousands)



Homeowners Funded



2006 Community Investment At-A-Glance

In addition to the initiatives featured elsewhere in these pages, the following community investment highlights represent a cross-section of work done throughout 2006 by FHLBank Pittsburgh, its member financial institutions and community partners all across the region.



FFD FUNDING CRESTS \$4 MILLION FOR 2006

Behind a concerted FHLBank/member bank effort, the First Front Door (FFD) program was able to disburse more than \$4 million in grants to 978 first-time homebuyers in 2006 – a one-year record for the program that originated in 1997. Since the inception of FFD (formerly the Home Buyer Equity Fund), more than \$18.8 million in funding has now been distributed to more than 5,000 new homeowners, helping them with down payment and closing costs.

BLUEPRINT COMMUNITIES—PENNSYLVANIA FORGES AHEAD

The 22 community teams who began work in 2005 as participants in FHLBank Pittsburgh's Blueprint Communities initiative have continued to progress toward sustainable growth. FHLBank held an additional workshop in the spring of 2006 to touch base with communities and receive status updates of work being done. In most communities, local leadership remains strong, and teams can show documented evidence of moving forward with plans and projects beneficial to the quality of life in their communities.

AHP PROVIDES \$14.6 MILLION IN DISTRICT

In 2006, FHLBank Pittsburgh approved approximately \$14.6 million in grants under the Affordable Housing Program (AHP). The grants are helping to finance 66 projects – creating 1,974 affordable housing units and having total development costs of more than \$251 million. Since AHP's inception in 1980, FHLBank Pittsburgh has awarded approximately \$125 million to build or rehabilitate more than 22,000 affordable housing units – empowering families and improving neighborhoods.



2006 HOMEWORK BOOSTS LOW-INCOME RESIDENTS

Forty-three FHLBank Pittsburgh employees dug in, sometimes in heavy rain, to rehab one home in Tarentum, Pennsylvania, and another in Sewickley, Pennsylvania, during the week of October 16-20. Volunteers once again worked with nonprofit Hosanna Industries, Inc. of Rochester, Pennsylvania, to perform a variety of tasks that included renovating a kitchen and bathroom, putting up siding, replacing windows, dry walling, painting and yard work.

CLP GROWS AGAIN, BESTS 2005 MARK

Member banks continued to make good use of the Community Lending Program in 2006, topping the 2005 mark by nearly 33%. In 2006, members disbursed more than \$142 million in at-cost CLP loans to developers, community-based organizations and municipalities. These funds assisted projects that provided affordable housing, upgraded infrastructure and public services, and improved streetscapes and business districts.

MY MONEY, MY LIFE ADVANCES, EXPANDS

Launched by FHLBank Pittsburgh in 2004, My Money, My Life educates young people aged 16 to 19 on how to avoid the financial traps that make it more difficult for them to buy their first home and save for the future. In 2006, My Money, My Life conducted sessions at ten locations across Pennsylvania's Allegheny County, remaining on target for graduating approximately 200 low-income young adults each year through 2009. New in 2006 was an advanced class of My Money, My Life, offering even more opportunities for vital financial education.



BOB FUNDING SURPASSES \$25 MILLION

The Banking On Business program has now surpassed \$25 million in funding, leveraging an additional \$143 million in loans to small business trying to get off the ground or grow. Used since 2000 to help member banks make non-conforming loans, BOB has now enabled more than 300 businesses to create or retain more than 3,800 jobs for people in the region.

2006 Pillars of the Community Awards

The Pillars of the Community Awards honor financial institutions for outstanding work that creates housing for lower-income families and that promotes community stability and revitalization throughout Delaware, Pennsylvania and West Virginia. The awards are presented annually at FHLBank Pittsburgh's Regional Conferences.



COMMERCE BANK, NA Philadelphia, PA

Commerce Bank was established with a deep commitment to giving back to communities in the Delaware Valley. In recent years, Commerce Bank has been a strong user of FHLBank programs, including First Front Door and the Affordable Housing Program. In addition to an active volunteer and charitable giving program, Commerce Bank has provided financial education to more than 34,000 students at more than 1,400 schools.

In honor of this award, FHLBank Pittsburgh presented a check for \$1,000 to United Communities Southeast Philadelphia.



OMEGA BANK State College, PA

Omega Bank provides valuable financing to families and individuals in northeastern Pennsylvania. An energetic user of FHLBank's community investment programs, especially the Affordable Housing Program, Omega Bank was also the top-producing Pennsylvania originator of the U.S. Department of Agriculture's Guaranteed Rural Housing Loan program in 2005 and continues to be active in volunteerism and fundraising events.

In honor of this award, FHLBank Pittsburgh presented a check for \$1,000 to Williamsport/Lycoming Habitat for Humanity.



PENNSYLVANIA STATE BANK

Camp Hill, PA

Since 1989, Pennsylvania State Bank has offered a comprehensive array of business and consumer banking services for its customers in Dauphin and Cumberland counties. In 2005, Pennsylvania State Bank channeled nearly half a million dollars from FHLBank's Banking On Business program to assist small businesses. Additionally, Pennsylvania State Bank provides ongoing community support with charitable and volunteer contributions.

In honor of this award, FHLBank Pittsburgh presented a check for \$1,000 to Parent-Works Incorporated.



S&T BANK

Indiana, PA

Throughout Western Pennsylvania, S&T Bank has fostered economic vitality in the communities it serves. S&T Bank has taken extensive advantage of FHLBank's community investment programs, using nearly \$6 million in Community Lending Program financing to assist development projects in its service area. In 2005, S&T Bank invested more than \$2 million in low-income housing tax credits to support local affordable housing projects.

In honor of this award, FHLBank Pittsburgh presented a check for \$1,000 to the Housing Authority of Indiana County.

2006 Affordable Housing Advisory Council's Award

The Affordable Housing Advisory Council's Award is presented annually to an individual who demonstrates a lifelong commitment to affordable housing and community development and whose career leadership has achieved important and lasting results in the community.



Kenneth Shoemaker
President and CEO
Orrstown Bank
Shippensburg, PA

2007 Blueprint Communities

BLUEPRINT COMMUNITIES EXPANDS TO WEST VIRGINIA

Following a successful 2005 launch in Pennsylvania, FHLBank Pittsburgh expanded its Blueprint Communities initiative to West Virginia in late 2006 and early 2007. Ten Blueprint Communities were named on March 12, 2007 at “West Virginia Rising,” an event FHLBank co-sponsored with Gov. Joe Manchin that marked a new day for community development in the state.

West Virginia Rising brought together a wide variety of public, private and nonprofit partners committed to engaging in closer collaboration in the pursuit of community building. To celebrate the event, FHLBank commissioned a new song of the same name written and performed live before more than 125 attendees by Larry Groce, host and artistic director of West Virginia’s Mountain Stage®.

“The announcement of these ten Blueprint Communities is just further proof that our state is moving in the right direction when it comes to economic development and planning for community growth,” said Gov. Manchin. “Small communities are the foundation of West Virginia, and I am confident that today’s announcement will help strengthen many areas across the state.”

Named as Blueprint Communities were: Ansted, Fairmont-Southside, Gilmer County, McDowell County, Mullens, Ritchie County, St. Albans, Salem, Shinnston and Williamson.



Gov. Joe Manchin encourages communities to work hard for change at the “West Virginia Rising” event.

Each Blueprint Community receives initial benefits totaling more than \$25,000, including leadership training, a housing workshop, a mini-grant and access to a network of potential funders after successful completion of the program. In addition to its \$250,000 initial investment, FHLBank Pittsburgh will set aside funds from its Banking On Business and First Front Door programs for the communities.



WV Housing Development Fund Executive Director Joe Hatfield calls forward representatives of the ten West Virginia Blueprint Communities.

“Our teams won’t have it easy,” said Bill Batz, chief operating officer of FHLBank Pittsburgh. “They’ll be asked to dig deep, build bridges and create consensus. They’ll be expected to think outside the box. And they won’t be paid for their efforts. They deserve our wholehearted support.”

The ten West Virginia communities join 22 Pennsylvania communities already capitalizing on the many benefits of the initiative. FHLBank plans to extend Blueprint Communities to Delaware in 2008.



Displaying a smaller version of the street banners presented to each Blueprint Communities team are (l to r): FHLBank Pittsburgh’s COO Bill Batz; Community Collaborative, Inc. Chair Jean Ambrose; WV Secretary of Commerce Kelly Goes; and FHLBank Community Investment Director John Bendel.

Programs At-A-Glance

FHLBank Pittsburgh offers programs and services gauged to meet community investment needs in the region. The flexibility of these programs makes it possible to support a wide range of projects, including:

- Affordable rental housing
- Owner-occupied housing
- First-time homebuyer assistance
- Small-business development
- Public works improvements
- Infrastructure building
- Job creation and retention
- Commercial lending

By taking advantage of FHLBank's grants and below-market-rate loans, member financial institutions can fund the unique credit needs of their communities and still have a positive impact on their bottom line.

Affordable Housing Program (AHP)

– provides grants and below-market-rate loans made through member financial institutions to affordable housing projects in competitive funding rounds.

Banking On Business (BOB) – offers ongoing funding in the form of recoverable assistance made through member financial institutions to small businesses for start-up and expansion costs.

First Front Door (FFD) – provides grants through member financial institutions to qualified first-time homebuyers to assist with down payments and closing costs.

Community Lending Program (CLP) – offers loans through member financial institutions to community development projects that benefit communities, create jobs or build infrastructure.

FHLBank's Community Investment Department also offers member financial institutions and community-based organizations a wide range of technical assistance.

For more information or to obtain application forms or assistance, contact the Community Investment Department at 1.800.288.3400, x 2826, or visit FHLBank's public Web site at www.fhlb-pgh.com.

Affordable Housing Program

Each year, through its Affordable Housing Program (AHP), FHLBank Pittsburgh sets aside approximately 10% of its net income to be awarded to projects that provide affordable housing to individuals and families whose incomes are defined as low (51-80% of area median) or very low (50% and below of area median).

WHAT'S NEW IN 2007

- FHLBank Pittsburgh has allocated \$17.15 million to AHP in 2007, to be disbursed in two funding rounds.
- The 2007 application deadlines are March 29 and September 27.
- Scoring changes have been made to the AHP application in 2007, with an increased emphasis on community stability.

ELIGIBLE USES

AHP provides both grants and subsidized loans to be used for single- and multi-family housing, new construction and rehabilitation, rental and owner-occupied homes, scattered-site development, and transitional and single-room-occupancy units. AHP projects also assist special-needs populations such as the frail elderly, the homeless, people with disabilities or victims of domestic violence. Rental projects must target at least 20% of the units to very-low-income households.

MEMBERS: HOW TO PARTICIPATE

Member financial institutions chartered in Delaware, Pennsylvania and West Virginia may apply for AHP funds. Members submit applications on behalf of project sponsors – typically a nonprofit, local government, housing authority or for-profit housing development organization. As a rule, members review applications for feasibility and forward them to FHLBank for consideration in the current funding round.

COMMUNITY PARTNERS: HOW TO PARTICIPATE

Sponsoring organizations prepare an application and submit it to a member bank to be considered for AHP funding. FHLBank offers application assistance to interested parties. Assistance may consist of a complete review of the application, including general information and financial documentation, assistance with application composition and presentation, and explanations of responsibilities associated with AHP.

Banking On Business

Banks are sometimes unable to lend money to small businesses – especially start-ups – that lack sufficient equity or cash flow. But FHLBank Pittsburgh’s Banking On Business (BOB) makes these deals more bankable. BOB funding helps eligible small businesses with start-up and expansion assistance to be leveraged with member financing to help small businesses that need it most.

WHAT’S NEW IN 2007

- For 2007, FHLBank Pittsburgh has approximately \$7 million available in BOB funding to help eligible small businesses in the region.
- FHLBank will open the program with registration periods beginning Tuesday, February 20, 2007, and Monday, August 20, 2007. Approximately \$3.5 million will be allocated to each funding cycle on a first-come, first-served basis.

ELIGIBLE USES

BOB funds may be used in financing the start-up or expansion of a small business and may be applied toward:

- Purchase of a building
- Land acquisition and construction
- Expansion of a facility
- Purchase of machinery/equipment
- Leasehold improvements
- Permanent working capital
- Closing costs

HOW TO PARTICIPATE

Member financial institutions submit an enrollment form and sign a Banking On Business Master Agreement upon enrollment approval. There is no deadline for enrollment, which can be made throughout the year. Members then submit a small-business registration form for each business requesting BOB funding.

Applicants are encouraged to use Small Business Development Centers and similar entities to provide ongoing technical assistance to small businesses participating in the program. BOB’s ongoing community impact includes creating/retaining jobs, promoting local economic growth, and assisting members in providing capital to underserved areas and for underserved populations.

Community Lending Program

FHLBank Pittsburgh's Community Lending Program (CLP) is available to member financial institutions to provide financing for housing and economic development projects that meet certain criteria. By match funding loans to qualified projects, CLP is an excellent way to manage interest rate risk while making a positive impact on communities.

WHAT'S NEW IN 2007

- There are no changes to this program for 2007.
- Funding from an \$825 million loan pool distributed on an as-needed basis.

ELIGIBLE USES

CLP funding may be used for a variety of housing, economic development and community projects to:

- Acquire real estate or equipment for a business in a qualified income census tract
- Build a community facility, such as a theater or park, that serves a qualified rural county
- Improve infrastructure or a site in a lower-income municipality to support a business park
- Renovate a manufacturing facility to create jobs for low- to moderate-income persons

- Provide permanent financing for apartments for moderate-income households
- Fill equity bridge financing for a Low Income Housing Tax Credit project
- Construct office space for a non-profit agency serving persons with mental illness

HOW TO PARTICIPATE

Member financial institutions should complete and submit the application and all necessary supplemental material to FHLBank Pittsburgh. There is no deadline for submitting CLP funding applications, and application processing time is generally five to ten working days from receipt. CLP funds must be drawn down from FHLBank's Money Desk within 90 days of loan origination.

CLP offers competitive pricing at FHLBank's cost of funds and access to multiple financial structures. Member financial institutions may tailor the terms to best fit the project. Financing structures include lines of credit, fixed- or variable-rate loans, fixed rates up to 30 years, forward rate lock options, and permanent construction or bridge financing.

The First Front Door (FFD) program is designed to help first-time homebuyers at or below 80% of the area median income with down payments and closing costs. For every \$1 of participant's savings, FHLBank Pittsburgh will provide \$3 in FFD grant assistance, up to a maximum of \$5,000.

WHAT'S NEW IN 2007

- FHLBank Pittsburgh has allocated \$7.64 million to FFD in 2007.
- Individuals with assets more than \$30,000 are not eligible to participate in the program (retirement accounts not included).
- Participants may receive no more than \$250 cash back at closing.

ELIGIBLE USES

Eligible uses include down payment and closing costs.

MEMBERS: HOW TO PARTICIPATE

Member financial institutions chartered in Delaware, Pennsylvania and West Virginia can access funds on behalf of qualified first-time homebuyers. Members submit an

enrollment form and sign an FFD agreement upon enrollment approval. Participating members register participants in the program. The member provides funds at closing, then is reimbursed by FHLBank.

Members must have an in-house or a contracted pre-homeownership counseling program in place and must contribute measurable concessions to the affordability of the house. Concessions include some form of tangible, measurable financial contribution toward the participant's mortgage (waived or reduced fees, below-market interest rates, reduction in points, etc.).

COMMUNITY PARTNERS: HOW TO PARTICIPATE

Approved counseling organizations can serve as a network to pool potential homebuyers for FFD, as well as for obtaining a mortgage through a member bank. This partnership can create additional viable solutions for low-income individuals and families trying to obtain homeownership.

Community Investment Assistance

FHLBank Pittsburgh's Community Investment Department staff is available to provide financial institutions, community-based organizations and affordable housing developers with assistance in the following areas:

COMMUNITY INVESTMENT DEPARTMENT APPLICATION ASSISTANCE

FHLBank offers application assistance to members, community-based organizations or housing developers interested in submitting applications for the AHP, BOB, CLP or FFD programs. Assistance includes a complete review of the application including general information and financial documentation, assistance with application composition and presentation, and explanations of responsibilities associated with each program.

PROJECT DEVELOPMENT

FHLBank can provide technical assistance on project development. This assistance is limited to the project's use of FHLBank's community investment products. Assistance includes complete explanations of how FHLBank products can be used in conjunction with housing and community development projects, consultation on funding structure and overall project enhancement.

COMMUNITY DEVELOPMENT PARTNERSHIP BUILDING

FHLBank will provide consultation on partnership building as a means to improve the effectiveness and competitiveness of projects. Performed on a case-by-case basis, staff can direct, advise and, on a limited basis, engage in strategic partnership building to assist members and housing providers in developing their project.

EFFECTIVE USE OF COMMUNITY INVESTMENT PRODUCTS AND SERVICES

FHLBank will work with members, community-based organizations and housing developers in the strategic use of the Bank's community investment products and services. Securing the funding is only part of the need. The Community Investment Department is available to assist in the overall implementation and strategic use of the various products and services.

For more information on FHLBank Pittsburgh's Community Investment Programs, please visit www.fhlb-pgh.com or call the Community Investment Department at 1.800.288.3400 or 412.288.2826.



Seated (from left): Nathan Yoder, Brenda Wells, Glenn Brooks, Christopher Gulotta and Gloria Guard. Standing (from left): Beverly Coleman, Fred Banuelos, Paul Calistro, Ronald Miller, Penny Eddy, Larry Segal, Daniel Betancourt and Patrick Bond. Missing from photo: Mary Hunt-Lieving and Lamont McClure.

Affordable Housing Advisory Council

Christopher Gulotta, Chair

Executive Director
Cumberland County Housing
and Redevelopment Authority
Carlisle, Pennsylvania

Glenn Brooks, Vice Chair

Senior Vice President
Leon N. Weiner & Associates, Inc.
Wilmington, Delaware

Fred Banuelos

President and CEO
Alliance for Building Communities
Allentown, Pennsylvania

Daniel Betancourt

President and CEO
Community First Fund
Lancaster, Pennsylvania

Patrick Bond

General Partner
Mountaineer Capital
Charleston, West Virginia

Paul Calistro Jr.

Executive Director
West End Neighborhood
House, Inc.
Wilmington, Delaware

Beverly Coleman

Executive Director
NeighborhoodsNow
Philadelphia, Pennsylvania

Penny Eddy

Executive Director
McKean County Redevelopment
& Housing Authority
Smethport, Pennsylvania

Gloria Guard

President
People's Emergency Center
Philadelphia, Pennsylvania

Mary Hunt-Lieving

Program Officer
Claude Worthington Benedum
Foundation
Pittsburgh, Pennsylvania

Lamont McClure

Executive Director
Carbon County Housing Authority
Lehigh, Pennsylvania

Ronald Miller

Executive Director
Neighborhood Housing Services
of Reading, Inc.
Reading, Pennsylvania

Larry Segal

President
Impact Pennsylvania Strategies, LLC
Wayne, Pennsylvania

Brenda Wells

Director, Western PA Region
Pennsylvania Housing
Finance Agency
Pittsburgh, Pennsylvania

Nathan Yoder

Executive Vice President
Susquehanna Valley
Development Group
Turbotville, Pennsylvania

Community Investment & Public Policy Committee of the Board of Directors

Paul Reichart, Chair

Chairman of the Board
Columbia County Farmers
National Bank
Bloomsburg, Pennsylvania

David Curtis

Director
Citizens Bank, Delaware
Wilmington, Delaware

Cecil Underwood

Chief Executive Officer
Cecil H. Underwood Institute
Charleston, West Virginia

The Reverend Luis Cortés Jr.*

President
Nueva Esperanza and Esperanza USA
Philadelphia, Pennsylvania

Sarah Peck*

President
Progressive Housing Ventures, LLC
Malvern, Pennsylvania

*Advisory Board Consultants

Community Investment Department

John Bendel

Director

Brent Anderson

Community Development
Specialist

David Buches

Community Investment Manager

Terrence Cronin

CID Manager - Compliance

Elaine Evosevic-Lozada

Community Investment Intern

Shawnda Gilliard

CID Analyst

William Joseph

Community Investment
Consultant

Laura Kemp-Rye

Community Investment Consultant

Ann Killian

Community Relationship
Specialist

Linda Kruse

CID Specialist - Compliance



Seated (from left): Shawnda Gilliard, Brent Anderson, David Buches, Elaine Evosevic-Lozada and Laura Kemp-Rye. Standing (from left): Dorothy Pegdan, Terrence Cronin, Linda Kruse, William Joseph, Cathy Rinchetti, Gwynn Lind, Ann Killian and John Bendel

Gwynn Lind

CID Programs Manager - Administration

Dorothy Pegdan

Administrator

Cathy Rinchetti

CID Specialist - AHP

2007 Community Investment Goals

FHLBank Pittsburgh's Community Investment Department is committed to ensuring the sustainability of communities in Delaware, Pennsylvania and West Virginia. In addition to administering our core programs and initiatives, we pledge to focus on achieving the following goals in 2007:

- Launch the Blueprint Communities initiative in West Virginia, and prepare for BC in Delaware in 2008
- Increase participation in CID products by at least 34 community bank members
- Implement changes to the Community Stability category for AHP scoring
- Launch a housing rehabilitation program
- Fund a community-related initiative that supports members in meeting community investment needs

- Identify a community-oriented revenue generating product
- Expand our financial literacy initiative to additional markets
- Enhance product reporting and measurement
- Explore enhancements to the AHP program

We look forward to serving our member financial institutions and working with community stakeholders to bring about sustainable change across the region.



John Bendel
Director,
Community Investment
FHLBank Pittsburgh

A handwritten signature in dark ink that reads "John Bendel". The signature is fluid and cursive, with the first name being more prominent.

Mission

The Federal Home Loan Bank of Pittsburgh is a partnership of private capital and public sponsorship which enables member financial institutions to assure the flow of credit and other services for housing, community development and other general community banking needs.



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